

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2017-292-WS

IN RE: Application of Carolina Water Services, Inc.,)
 for Approval of an Increase in its Rate for) Certificate of Service
 Water and Sewer Services)

This is to certify that, I, Carl E. Bell, Paralegal for Terreni Law Firm, LLC, have this date, served a copy of the Rate Letter to The Honorable Jocelyn G. Boyd of the South Carolina Public Service Commission in the above-referenced matter and to the person(s) named below by electronic mail:

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January 31, 2019

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January 31, 2019

The Honorable Jocelyn G. Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Docket No. 2017-292-WS. Application of Carolina Water Service,
Incorporated for Approval of an Increase in Its Rates for Water and Sewer Services

Dear Ms. Boyd:

After Order 2018-802 was issued in the above referenced case, Blue Granite Water Company (formerly Carolina Water Service, Inc.) calculated new sewer rates resulting from the revenue requirement and rate structure approved by the Commission. I am bringing these rates to your attention because they differ slightly from the rates in the notice attached to Commission's Directive of December 5, 2018. The South Carolina Office of Regulatory Staff concurs with the company's rate calculation and the revised notice.

The Commission-approved monthly rates have been updated as follows: Residential customers revised from \$65.09 to \$65.08 per unit, Mobile Homes revised from \$47.26 to \$47.50 per unit, and The Village Sewer Collection revised from \$33.50 to \$33.86 per SFE.

Enclosed please find a copy of the updated notice which will be issued to customers with the new rates, incorporating the revisions listed above. Please let me know if you have any questions.

With best wishes, I am,

Sincerely yours,

s/ Charles L.A. Terreni

Charles L.A. Terreni

cc: Counsel of Record
Mr. James S. Knowlton

Enclosure

Notice Regarding the Public Service Commission's Decision in Order No. 2018-802

REHEARING IN Docket No. 2017-292-WS: Application of Carolina Water Service, Inc. for Approval of an Increase in Its Rates for Water and Sewer Services

On September 6, 2018, the Public Service Commission of South Carolina (PSC or Commission) held a Rehearing on certain issues raised during the original Carolina Water Service, Inc. (CWS) merits hearing to the above referenced docket. The following four issues were under consideration at the Rehearing: sludge hauling expenses, litigation costs, Friarsgate EQ basin liner project, and rate design.

After the Rehearing, the Office of Regulatory Staff (ORS) and CWS agreed that the previously approved expenses incurred for removal and replacement of the EQ basin liner should remain in plant-in-service. Additionally, after review of testimony regarding rate design, ORS no longer challenged the CWS rate design or calculations.

On December 5, 2018, based on the evidence presented during the Rehearing, the Commission approved an adjustment to normalize sludge hauling expenses by decreasing these recoverable expenditures by \$96,892. Additionally, the Commission denied litigation expenses associated with the Columbia Riverkeeper lawsuit; deferred for future consideration the legal expenses associated with the Town of Lexington condemnation lawsuit, legal action due to DHEC permit denial, and the I-20 connection case; and granted recovery of costs associated with the legal action CWS undertook seeking a declaratory judgement against the Environmental Protection Agency. Further, certain adjustments were made to litigation expenses. A copy of the Commission Directive explaining these adjustments can be found here: <https://dms.psc.sc.gov/Web/Matters/Detail/280506>

The Rehearing adjustments approved in this case results in a decrease in sewer service revenue of \$111,990, which will cause the average sewer customers' bill to decrease by approximately \$0.69 (69 cents) a month.

Residential Sewer Service

Sewer Collection & Treatment Only	Current Rate	Commission Approved Rate
Residential (per unit)	\$65.77	\$65.08
Mobile Homes (per unit)	\$47.94	\$47.50

Sewer Collection Only	Current Rate	Commission Approved Rate
Residential (per unit)	\$65.77	\$65.08
The Village Sewer Collection (per SFE)	\$34.18	\$33.86

*SFE – (Single Family Equivalent) Determined by using SC Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities